

**STOPPING AS SUCCESS:
TRANSITIONING TO LOCALLY LED DEVELOPMENT**

COFFEE FOR PEACE: AN ENTREPRENEURIAL APPROACH TO SUSTAINABLE DEVELOPMENT AND PEACEBUILDING IN MINDANAO

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CONTEXT

Mindanao faces a long-standing, multi-layered conflict, involving at least six major non-state armed groups. Though the Philippines' government has been open to peacebuilding and conflict resolution programmes implemented by foreign aid actors, and despite high levels of international funding, the conflict is still ongoing.

Mindanao is largely an agricultural economy. It is known for its fertile land and, according to some estimates, provides over 40 percent of the Philippines' food needs, as well as contributing over 30 percent of the country's national food trade. Despite this, a large percentage of the island's people – ranging from 30 percent to 55 percent in some areas – still live in poverty. The mining, agribusiness, and fishing sectors in Mindanao have attracted a number of international corporations and businesses.

This case study looks at the Mennonite Church Canada and its relationship with PeaceBuilders Community, Inc. (PBCI), a Mindanao-based peacebuilding organization that carries out a range of peace and reconciliation activities with conflict-affected communities and local

leaders. In particular, the report examines how PBCI was able to achieve independence from the Mennonite Church Canada by embarking on a social enterprise initiative: Coffee for Peace (CFP).

STORY OF TRANSITION

In 2004, the Mennonite Church in Canada sent two of its Filipino-Canadian missionaries to Mindanao to conduct peacebuilding work. In 2006, the missionaries created PBCI, the separate Filipino identity helping to build better relationships with local communities. PBCI was fully funded by the Mennonite Church until 2008, when it established the CFP social enterprise. CFP offers a three-year scheme that trains farmers to produce high-quality coffee while encouraging native and settler communities to work together on the coffee value chain. Coffee beans from CFP are sold domestically and internationally.

Around half of CFP's funding comes from the coffee value chain, with the other half coming from investments by individual church members in Canada. Contrary to the previous relationship PBCI had with the Mennonite Central Committee (MCC), the Mennonite Church's



NGO arm, it no longer receives grants but instead directs individual church members to invest in the social enterprise. These investments were used to grow CFP. Furthermore, as a range of individual investors are involved, if one were to pull out, it would not disrupt the entire social enterprise.

CFP serves as PBCI's income-generating arm, which it uses to fund its projects. The money generated by CFP accounts for 75 percent of PBCI's total budget, including the entirety of its core costs. PBCI continues to receive

around 25 percent of its funding from the Mennonite church, but this is entirely linked to specific projects.

PBCI's director reported that an additional step currently in process is the transfer of the organization's leadership to an indigenous community member. The same situation applies to the leadership of CFP. This would signal a further step towards locally led development, with leadership transferred to individuals belonging to the very communities in which PBCI conducts its development and peacebuilding work.

KEY LESSONS

The partnership between PBCI and MCC goes beyond a traditional donor/recipient relationship, and this has been central to its success. Both see the relationship as structured more around solidarity than merely funding and project delivery.

An investor, as opposed to a donor model is helpful in overcoming unequal power dynamics. Terms such as "beneficiaries" are no longer relevant, given farmers now receive financial investment in exchange for their coffee.

Transitions can take place even when international funds are available, and do not necessarily have to be externally driven. In PBCI's case, the decision to transition was made after it established CFP.

Securing the trust of communities in conflict-affected contexts is particularly important. The Mennonite church invested in relationship building within local communities for three years prior to funding an official program in Mindanao.

The conscious effort by MCC staff to adopt simple lifestyles when living in Mindanao engenders trust. Other CSOs in Davao City reported that the Mennonites' working culture, whereby they do not keep themselves separate from local communities, works in favor of local ownership.

The Mennonites' policies and practices favor local ownership. For example, proposals for short-term projects are written entirely by PBCI without any prescribed agenda by the Mennonite Church. As a result, the Mennonite Church and PBCI continue to have a strong relationship.

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